

**BEFORE THE  
TENNESSEE  
REGULATORY AUTHORITY**

**REBUTTAL TESTIMONY OF  
GERALD B. CROCKETT**

**ON BEHALF OF  
MCI TELECOMMUNICATIONS  
CORPORATION**

**&**

**AT&T COMMUNICATIONS  
OF THE SOUTH CENTRAL STATES, INC.**

**DOCKET NO. 97-01262**

**October 17, 1997**

1 Q. PLEASE STATE YOUR NAME, ADDRESS AND EXPERTISE

2 A. My name is Gerald B. Crockett and my business address is 1340 Rideau Lane, London Ontario,  
3 Canada N5X 1X5. I am an expert in implementing telecommunications building related items  
4 such as real estate extensions, environmental modifications and utilities, including preparing  
5 estimates and maintaining construction costs.

6

7 Q. FOR WHOM ARE YOU APPEARING IN THIS PROCEEDING?

8 A. I am appearing on behalf of MCI Telecommunications Corporation (MCI) and AT&T  
9 Communications of the South Central States, Inc. (AT&T).

10

11 Q. PLEASE PROVIDE INFORMATION AS TO YOUR BACKGROUND IN THE FIELD  
12 OF TELECOMMUNICATIONS.

13 A. I have been employed in the telecommunications field for over 23 years. My career began in  
14 1973 with Bell Northern Research as an office and lab designer responsible for general office  
15 and experimental test lab design. These labs are involved with the creation and testing of  
16 existing and new telecommunications equipment. In 1978, I moved to Bell Canada to take a  
17 position as a Real Estate Building Design Manager responsible for the creation of designs and  
18 specifications related to telecommunication building extensions required for the expansion of  
19 new equipment. This work included preparation and tendering of building designs necessary  
20 for the integration of new equipment in existing central offices (COs). I later transferred to the  
21 Building Construction Group where I functioned as a Manager Building Construction

1 responsible for all aspects of contract administration related to new and existing building  
2 renovations and extensions.

3 My last position prior to leaving Bell Canada was as a Project Manager in the Real Estate  
4 organization, where I was a project leader of a multi-disciplined team of in-house professional  
5 architects, engineers, designers and construction managers including outside consultants and  
6 contractors. I was responsible for completing projects related to new building construction and  
7 extensions. I managed projects involving interior renovations, operator services operations,  
8 control centers, and telephone retail stores (Phone Centers).

9

10 Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES?

11 A. My responsibilities are two fold: *First*, to review and critique ILEC Collocation cost studies  
12 with regard to Building (Real Estate) issues, process proposals, identifying appropriate costs for  
13 Collocation building related elements and activities. *Second*, to suggest the most cost effective  
14 method of establishing collocation areas within ILEC Central Office buildings. Further  
15 discussions on the recurring and non-recurring costs will be presented by other witnesses who  
16 will be testifying for both MCI and AT&T.

17

18 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

19 A. I will demonstrate that some of the common building infrastructure elements associated with  
20 collocation have been grossly overstated by BellSouth Telecommunications (BST).  
21 Furthermore, I will provide examples of how the cost elements being proposed by BellSouth

1 are not only discriminatory toward new entrants in the local telecommunications market but  
2 are also based on regressive and least cost efficient planning scenarios with little regard for  
3 ILEC/CLEC parity. Simply put it is clear to me, BellSouth's cost studies reflect over-  
4 engineered physical collocation facilities with little regard for the cost impact on new entrants.  
5 I recommend the Commission reject BellSouth's collocation cost studies.

6

7 **Q. ARE BELL SOUTH'S REFERENCES TO INDIVIDUAL COST BASIS ("ICB")**  
8 **CHARGES REASONABLE?**

9 **A.** No, BellSouth's use of ICB's for space preparation is unreasonable and is a deterrent for  
10 collocators wishing to enter the local telephone market. BellSouth's cost study presents  
overstated/inflated costs and inappropriate methodology associated with the following items:

12 The use of drywall over metal cage construction materials.

13 • Demolition costs incorporated in the use of ICB's.

14 • Modification to HVAC systems.

15 ICB charges can become extremely costly to a CLEC, because they are totally undefined and  
16 can be easily manipulated. They are unique and only defined on a case by case basis; a  
17 situation which make it very difficult for a collocator to anticipate or prepare a business case  
18 for physical collocation.

19 BellSouth's proposal requires collocation areas to be selected in a way that prevents collocators  
20 from entering into, or passing through, BellSouth equipment space. An installation of a new  
21 exterior entry door, a new exclusive internal corridor leading to CLEC spaces, and/or the

1 replacement/upgrade of the building HVAC systems, are prime examples of elements included  
2 in BellSouth's ICB charges, which may be unnecessary and could be artificially inflated to  
3 extremely high levels.

4  
5 **Q. WHAT APPROACH IS BELL SOUTH USING TO DETERMINE VIABLE SPACE**  
6 **WHICH CAN BE USED FOR PHYSICAL COLLOCATION?**

7 **A.** The amount of space to be enclosed for collocation common areas may vary for each location  
8 depending on a number of factors. These factors include, but are not limited to, the following:

9 The amount of available assignable space in the CO.

10 • The configuration of the available. assignable square footage.

• The structural considerations for the building.

12 • The means for ingress/egress.

13 • The anticipated demand for space for that location (ie., how many competitors  
14 may demand space for collocation).

15 The amount of space anticipated to meet BST equipment growth for a two  
16 year period.

17 According to BellSouth, the amount of space to be enclosed will most likely be determined  
18 using the following steps:

19 Establishing the total available assignable square footage based on floor plan  
20 drawings and field visit(s).

21 Determining the footprint requirements for BellSouth equipment jobs.

1                   • Deriving the square footage available for collocation.

2

3 **Q.   IS THIS A REASONABLE APPROACH TO ESTABLISHING PHYSICAL**  
4 **COLLOCATION AND LOCAL COMPETITION?**

5 **A.**   Absolutely not. BellSouth has not expressed any concern or desire to apply forward looking  
6 cost efficient CO plans to locate collocation areas close to existing cross connect frames thus  
7 minimizing cable lengths. Inefficient planning and long cross connect distances, which in turn  
8 may degrade service performance and add greater material costs, do not convey collocation  
9 parity. BellSouth would certainly be concerned about the length of the required cross connects  
10 when placing its own new equipment in a CO.

12 **Q   PLEASE DESCRIBE YOUR EVALUATION OF BELL SOUTH'S PLANS TO PROVIDE**  
13 **PHYSICAL COLLOCATION.**

14 **A.**   BellSouth is taking what I consider to be an excessive approach to physical collocation. After  
15 implementing a detailed building survey, engineering, designs, and building support system  
16 modifications, BellSouth will construct a collocation space using 8'-6" metal stud and drywall  
17 construction with space at the top and base of each wall for ventilation. A rigid polyethylene  
18 security screen will also be applied between the top of the gypsum board and ceiling deck  
19 above. The drywall will be wet sanded and finished with a paint treatment consisting of a latex  
20 primer and one coat of satin or eggshell paint. Flush hollow core steel doors complete with  
21 welded hollow metal door frames will be installed. Other installations consisting of

1 modifications and/or the installation of new heating, ventilation, and air conditioning (HVAC)  
2 equipment plus the installation of various electrical components will be applied. BellSouth  
3 implies that for collocation, HVAC work may be required in all locations. This work will  
4 incorporate alterations, new ductwork, new condensing and air handling units, and alterations  
5 to HVAC alarms, controls, and an electrical panel.

6  
7 **Q. IS BELLSOUTH'S PROPOSED METHOD OF PROVIDING PHYSICAL**  
8 **COLLOCATION CONSIDERED EFFICIENT AND COST EFFECTIVE?**

9 **A.** No. By introducing the type of construction techniques BellSouth is proposing for common  
10 physical collocation, BellSouth is imposing an approach which adds considerable unnecessary  
11 costs through the use of drywall. Drywall construction materials will require processes which  
12 will add to the overall costs for collocation. For example, the installation of drywall with gaps  
13 at the top and bottom of walls closed off with security mesh, cause restriction to the overall  
14 ambient lighting and air conditioning. Although openings are being provided, air flow  
15 restriction will result in the need for additional or new air conditioning capacity and ducting.  
16 Similarly, the installation of drywall will restrict the overall ambient level of lighting resulting  
17 in the need for additional light fixtures. Drywall requires joint compounding, wet sanding and  
18 painting. This work requires additional work force and longer interim time to prepare the  
19 overall space, resulting in additional costs. Furthermore, the use of a security mesh above the  
20 8'-6" level seems to be overkill. By contrast, Bell Atlantic does not require security mesh  
21 above the 8'- 6" level. Of the restricted personnel allowed into the collocation space, it is

1 unlikely an individual will attempt to scale a drywall (gypsum) partition. Further, the use of  
2 such security mesh will interfere with cable rack installations.

3  
4 **Q. PLEASE COMMENT ON BELL SOUTH'S REASONS FOR USE OF GYPSUM WALLS**  
5 **RATHER THAN OTHER FORMS OF SEPARATION SUCH AS WIRE MESH.**

6 **A.** BellSouth has stated that the decision to use drywall enclosures was made in the interest of  
7 safety and telecommunications equipment performance. According to BellSouth, one of the  
8 factors that influenced the decision to use drywall enclosures was the use of switching  
9 equipment by CLECs in the collocation space.

10 BellSouth states that most switching modules require an isolated ground plane and that in the  
11 interest of safety and network protection, wire mesh placed within the central office must be  
12 grounded if it is in close proximity of telecommunications equipment. In addition, wire mesh  
13 tends to act as an antennae, especially when high concentrations of this material exists within  
14 a common area.

15 While it is true that most switching equipment requires the use of an isolated ground or isolated  
16 bonding network, this does not prohibit the use of wire mesh anymore than overhead cable  
17 racks or other ironwork. The only requirements in terms of safety is for all ironwork within  
18 7'-0" ( includes, cable racks, framing and even the relay racks) to be grounded to a common  
19 ground bar.

20 A number of ILEC's throughout the rest of the country such as Bell Atlantic are allowing, and  
21 have already built, collocation enclosures using wire mesh, without any apparent safety or



1 transmission problems.

2

3 **Q. ARE THERE ANY OTHER ASPECTS ABOUT THE USE OF GYPSUM DRYWALL**  
4 **YOU WOULD LIKE TO DISCUSS?**

5 **A.** Yes. BellSouth intends to use what I would describe as a short term type of partition to protect  
6 working telephone equipment from airborne contamination during construction. This temporary  
7 dust partition consists of metal studs fastened to the floor and ceiling slab covered with a fire  
8 retardant anti static polyethylene. This temporary dust partition would not be required if  
9 materials such as wire mesh were used instead of drywall.

10 The installation of any form of partitioning whether it be for dust protection or other reasons,  
11 can only add to the overall costs for physical collocation. Other types of construction  
12 techniques, such as metal cage construction, involve smaller work forces, therefore shorter  
13 installation time frames. BellSouth has indicated dust protection will cost \$20.95 per lineal  
14 foot. I consider any temporary dust barrier at \$20.95 per lineal foot expensive and excessive.  
15 To illustrate how excessive BST's dust protection costs are, I have supplied the following  
16 example:

17 A permanent 8' high wall constructed of 25 gauge., 3 5/8" wide metal studs, with 1/2" drywall  
18 taped and sanded on both sides, costs \$ 16.40 per lineal foot. BellSouth's dust partition cost  
19 of \$20.95/lineal foot is higher than the cost of a permanent structure, thus illustrating BST's  
20 excessive construction costs. Again, if BellSouth was to use other techniques (ie: wire mesh),  
21 costs for collocation areas/ enclosures would be reduced considerably.

1

2 **Q. CAN YOU SUGGEST ANOTHER CONSTRUCTION TECHNIQUE WHICH COULD BE**  
3 **USED FOR PHYSICAL COLLOCATION?**

4 **A.** Yes, the use of metal cage materials offers a viable solution to physical collocation. It is  
5 considerably less costly, offers excellent flexibility and a more consistent ambient environment.  
6 It is easier to handle because it comes in panel sizes consistent with various collocation  
7 enclosures, requires very little site preparation, and does not generate the need for costly dust  
8 protection during installation. With appropriate grounding requirements met, wire mesh can be  
9 used and in fact , is being used safely.

10

11 **Q. CAN YOU EXPLAIN HOW METAL CAGES OFFER GREATER FLEXIBILITY?**

12 **A.** Yes, The material is manufactured in various sizes corresponding to the enclosures collocators  
13 might use to house their equipment. It comes in prefabricated modules at varied lengths, widths  
14 and heights (i.e., 8'-0" to 10'-0") including all necessary installation hardware. Furthermore,  
15 this system can be shipped as a complete room, including sliding door with lock. This material  
16 can be installed in short periods of time, and has sufficient flexibility to be used for access  
17 corridor construction if required

18

19 **Q. DO METAL CAGE TYPE MATERIALS EFFECT SECURITY?**

20 **A.** Yes. The use of metal cage materials provides increased security since it offers considerable  
21 visibility over the use of gypsum board.

1

2 **Q. HAVE YOU SEEN ANY PHYSICAL COLLOCATION INSTALLATIONS?**

3 **A.** Yes, I have seen physical collocation areas/enclosures established in other territories. These  
4 installations incorporated the use of wire mesh cages, with lighting, AC/DC power, required  
5 HVAC, and grounding.

6

7 **Q. CAN YOU PROVIDE A SHORT COMPARISON OF THE COSTS OF METAL CAGES**  
8 **VERSES GYPSUM WALL BOARD USED FOR PHYSICAL COLLOCATION?**

9 **A.** I will illustrate a cost comparison by suggesting a hypothetical four wall enclosure scenario  
10 using the measurements 20'-0" long x 20'-0" wide x 8'-0" high, including a door with lock.  
11 In data responses<sup>1</sup>, BellSouth uses the following unit prices, a wall at \$ 80.91 per lineal foot,  
12 Dust Barrier at \$ 20.95 per lineal foot, and a door at \$ 499.52 each. Using BST's lineal  
13 footage costs for walls, dust barrier, and a door, the hypothetical enclosure mentioned above(  
14 assuming a total lineal footage of 80 feet ) will cost \$8,648.32. Using wire mesh construction,  
15 the same enclosure, with a labor factor of \$414.40 for 2 carpenters built in, will cost \$  
16 2,737.81. In summary, wire mesh construction is less involved and considerably less costly than  
17 the use of gypsum wall board construction. It is the most efficient method of constructing  
18 collocation facilities and is currently being used in other jurisdictions.

19

20 **Q DO YOU BELIEVE DEMOLITION SHOULD BE INCLUDED IN THE COST MODEL?**

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<sup>1</sup> BellSouth response to AT&T's 4<sup>th</sup> Set of Interrogatories, Georgia PSC Docket 7061-U, Interrogatory #21, Attachment 1, Page 1 of 2.

1 A. There should be no demolition necessary to develop a collocation area in a typical central  
2 office. In the majority of COs I have visited, the central office space consisted of large open  
3 spaces which may be interrupted by structural support columns. This space would invariably  
4 have no ceiling other than the exposed concrete underside of the roof deck or floor above.  
5 Partitions of various material make-up would be located off the front entrance of the building.  
6 Areas such as this might house a small administration area for the central office personnel (  
7 normally the CO Manager, technicians, and/or secretary ). This area might also house an  
8 entrance foyer, small lunch/locker room, plus the necessary washrooms. Suspended ceiling  
9 materials might exist in these areas, but quite often were like the switching room itself  
10 consisting of an open ceiling space with suspended light fixtures. Based on my experience,  
11 where a new tenant seeks to occupy vacant or unused space, the new tenant generally assumes  
12 responsibility for the new requirements, while the landlord is responsible for demolition to a  
13 "clean space" level.

14

15 Q. PLEASE DESCRIBE BELL SOUTH'S PLANNING SCENARIOS.

16 A. BellSouth's planning scenarios arbitrarily place a CLEC in areas of the CO which may  
17 require extensive renovations/demolition, thereby passing all the costs of developing  
18 collocation to the CLECs. Because of this arbitrary placement of CLECs, BellSouth can  
19 manipulate and inflate the ICB costs. Placing CLECs in building areas where major  
20 building alterations, including adjustments to environmental systems, when available space  
21 within close proximity to cross connect frame equipment, are examples of BellSouth's poor

1 planning scenarios. Removal of dead or unused equipment, or the avoidance of relocating  
2 an administration area may be BST's reasons for their planning scenario.

3

4 **Q. HOW DOES HVAC INSTALLATION RELATE TO COLLOCATION?**

5 **A.** Collocation equipment may generate requirements causing minor upgrades to heating,  
6 ventilation, and air conditioning systems( HVAC ). In a wire mesh cage environment, these  
7 requirements could be accommodated by using a small localized stand alone AC unit.  
8 Alternatively, BellSouth Mechanical Engineers may be able to review the HVAC needs and  
9 systems in use, resulting in minor alterations to the capacity to meet collocation needs.

10

11 **Q. CAN YOU EXPLAIN THE RELATIONSHIP BETWEEN HVAC WORK AND**  
12 **CHANGES TO TELECOMMUNICATIONS EQUIPMENT?**

13 **A.** Most switching centers have previously had HVAC system alterations done to accommodate the  
14 latest type of telecommunications equipment, namely digital switching. In some cases, the  
15 quantity of air existing after the replacement of analogue equipment, would have been more  
16 than adequate to accommodate any addition of transmission equipment by interconnectors  
17 including growth forecasts for the next five to ten years. BellSouth indicates a costly need for  
18 new/altered HVAC systems for collocation, when the existing environment may be adequate.

19

20 **Q. ARE THERE OTHER AREAS OF BELL SOUTH'S COST MODEL YOU QUESTION?**

21 **A.** Yes. BellSouth has made reference to a spreadsheet of estimated charges used by its Property

1 Management Services Personnel to establish physical collocation spaces. After examining these  
2 cost figures, I find the costs estimated by BellSouth to be excessive in comparison to costs  
3 which would be used in the construction industry across the nation. For example, BellSouth  
4 is using a cost figure of \$ 115.00 per lineal foot for a 1 hour fire rated gypsum wall. This is  
5 high in comparison to a figure reflected in one of the many estimating tools used in the  
6 construction industry throughout the United States and Canada. BellSouth uses RS Means  
7 Building Cost Data 55th Annual Edition 1997 in its preparation of its cost model. In RS  
8 Means, an 8'-0" high, 1 ½ hour rated wall, using 25 gauge, metal studs spaced at 16" on  
9 center, covered with 2 layers of 1 ½ rated gypsum board, costs \$3.07 per square foot which  
10 is the equivalent to \$ 24.56 per lineal foot, including an overhead a profit margin of 38 percent.  
11 BellSouth is suggesting that a 1 hour rated wall cost more than four times what RS Means  
12 reflects for a 1 ½ hour rated wall.

13 Furthermore, BellSouth contravenes its own Property Management Guidelines for the  
14 construction of barrier and enclosure walls. The method of constructing these walls includes  
15 a 6" space along the entire length of the wall, thus defeating the purpose of constructing a fire  
16 "rated wall" in the first place.

17 Another example of BellSouth's high pricing practice, is a gypsum wall costing \$80.91 per  
18 lineal foot., RS Means suggests a similar wall should not cost more than \$2.05 per square foot,  
19 or \$ 16.40 per lineal foot, including a 41% overhead and profit mark up. RS Means shows  
20 BellSouth has inflated and exaggerated cost figures used to produce its cost model for physical  
21 collocation.

1

2 **Q. CAN YOU PROVIDE OTHER EXAMPLES WHERE BELL SOUTH HAS OVER**  
3 **STATED COSTS FOR IMPLEMENTING PHYSICAL COLLOCATION?**

4 **A.** Yes. Using the spread sheet provided by BellSouth<sup>2</sup>, BellSouth's Property Management  
5 Services Personnel indicate the cost to replace vinyl flooring is \$ 3.00 per square foot. This  
6 figure is much higher than the \$ 1.45 per square foot shown in RS Means. Furthermore, the  
7 RS Means figure of \$1.45 already incorporates overhead and profit margins of 21 percent.  
8 Another example from the same spreadsheet is the price for a new fluorescent light fixture of  
9 \$ 125.00, whereas using RS Means a pendent ( chain hung ) 4'-0" long, 2 tube fixture costs \$  
10 101.56. It should be noted, that floor replacement/repair should only be necessary after the  
removal of telephone equipment. The repair should only include the replacement of tiles with  
12 holes resulting from removal of the equipment frame anchor bolts. This repair should be the  
13 sole responsibility of the ILEC, with no burden placed on Collocators.

14

15 **Q. PLEASE EXPLAIN RS MEANS AND HOW THESE PUBLICATIONS RELATE TO**  
16 **THIS CASE?**

17 **A.** RS Means is a series of text references available to Engineers, Architects, and the Construction  
18 and Building industry. It is widely used throughout the construction industry as a guide to  
19 produce or assist in the production of project or building construction estimates. In fact,  
20 BellSouth makes reference to RS Means, yet it is clear, based on its responses to date

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<sup>2</sup> BellSouth's response to MCI's Fourth Set of Data Requests, Georgia PSC Docket 7061-U, MCI 4 - 6. Attachment  
Page 1 of 1.

1 requests, that BellSouth fails to use RS Means for gypsum wall, vinyl flooring, and  
2 fluorescent light fixture costs. These texts provide cost figures which are less than those used  
3 by BellSouth to establish its proposed prices.

4

5 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

6 A. Yes, it does.



# **EXHIBIT 6**



MCI Wireless, Inc.  
8750 West Bryn Mawr  
Suite 1010  
Chicago, IL 60631

July 15, 1998

VIA FACSIMILE -- 312-467-9026

Mr. Ted Edwards  
Ameritech Information Industry Services  
350 North Orleans St.  
Floor 3  
Chicago, IL 60654

Re: MCI/ Ameritech Interconnection Agreements  
Fiber Meet Amendment Proposal

Dear Ted:

As you are aware, MCI had been looking forward to meeting with Ameritech to discuss proposals to establish an arrangement to route certain traffic over a Fiber Meet interconnection architecture. MCI was disappointed when it learned Ameritech had canceled the July 1, 1998, meeting to discuss those proposals.

MCI already has reached a Fiber Meet interconnection arrangement with at least one other carrier in the Ameritech region, and is in negotiations to reach similar accommodations in other areas where MCI is certified to provide local exchange service. A Fiber Meet interconnection arrangement with Ameritech is a technically feasible, cost effective, and highly efficient method of routing Unbundled Loops and Special and Switched Access Circuits between our respective facilities, and it is MCI's position that such arrangements are consistent with the Agreements. MCI is therefore puzzled why Ameritech has been hesitant to commence discussions on this issue.

Attached is a proposed amendment to the Agreements which establishes the terms pursuant to which the parties can route Unbundled Loops and Special and Switched Access Circuits over a Fiber Meet. MCI requests that Ameritech review the attached proposal and provide comments or concerns it has with the proposed arrangement by July 31, 1998. If it is Ameritech's position that it will not negotiate with MCI over the terms of the proposed Fiber Meet amendment, then this letter serves as notice that I am MCI's designated representative to attempt to resolve this matter with Ameritech for purposes of the Dispute Escalation and Resolution provisions pursuant to Article 28.3 of the Agreements.

July 15, 1998

ARTICLE III

New Section 3.3.10 (proposed)

For Fiber Meet arrangements between the Parties under this Agreement, MCI may provision Interconnection Trunks, Special and Switched Access Circuits, and Unbundled Interoffice Transmission Facilities over the same Fiber Meet facilities. DS3 facilities will be provisioned to carry the following three discrete traffic types over the Fiber Meet:

(1) Interconnection Trunks and Direct End Office Trunks (DEOTs). When provisioned over the Fiber Meet facility, entrance facility charges will not apply.

(2) Special and Switched Access Circuits. When ordered either from Ameritech's Interstate or Intrastate Access Services Tariff, circuits must be provisioned between an MCI switch location and either an Ameritech Central Office or an end-user customer premise. When facilities are ordered for Special and Switched Access Circuits, Ameritech will charge MCI fifty percent (50%) of the month-to-month DS3 entrance facility charge from Ameritech's Interstate Access Services Tariff for the portion of the Special and Switched Access Circuit which is provisioned on the Fiber Meet facility, and one hundred percent (100%) of the appropriate multiplexing and/or channel termination charges from Ameritech's Interstate Access Services Tariff.

(3) Unbundled Interoffice Transmission Facilities. When provisioned over the Fiber Meet facility, Ameritech will charge MCI fifty percent (50%) of the appropriate dedicated entrance facilities charge for the portion which is provisioned on the Fiber Meet facility, and the appropriate Unbundled Dedicated Transport and multiplexing charges from Item V of the Pricing Schedule for the Interoffice Transmission Facility.

Mr. Ted Edwards  
July 15, 1998  
Page 2

Please contact me regarding any questions you may have concerning this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Dave Thomas".

Dave Thomas

cc: Ron Lambert  
Dora Ross  
Brenda DeHorn  
Michael Hussey  
Peter Godwin  
Dick Powell  
Earl Hurter

# **EXHIBIT 7**



185 Berry Street, Building One  
Suite 5100  
San Francisco, California 94107

**VIA FACSIMILE**

February 11, 1997

Ms. Elsa Svensson  
Market Manager, Interconnection  
Pacific Bell  
370 Third Street, Rm. 311  
San Francisco, CA 94107

Dear Elsa;

Per my phone conversation with you today regarding WORLDCOM code opening issues/problems, I have been asked to work with Pacific Bell in setting up a process that would mitigate the problems we are encountering:

- WORLDCOM NXXs have not been loaded in all end offices and tandems, thus preventing completion of calls to our customers. As you are aware, this has lead to numerous customer confusion and complaints.
- There is some concern that our NXXs may not be properly loaded into databases that serve the Pacific Bell Business Offices preventing the Business Offices from properly determining proper rates/credits for customers calling WORLDCOM numbers.

With this in mind, we request comprehensive, "VETS" or automated testing from each end office to each WORLDCOM NXX. We would also like to see the results of such testing.

Is your CURCAR process that provides CLEC number assignments to Operator and Billing databases, able to download information that can be sent to me for review, to assure us that rating tables are correct?

Also, as stated in my phone conversation, is this CURCAR process something that can be shared with NYNEX. My counterpart in New York is working with NYNEX to assure that the all customer affecting databases are populated properly with our NXXs and any assistance will be appreciated.

In light of our recent NXX problems with a particular customer, PROFASTENERS, Robert Licari has asked me to find out if there is any way that Pacific Bell can provide him with recent trouble ticket activity on all WORLDCOM NXXs so that he can establish a trouble history; how many troubles, where they were located, what was the problem - improper translations at the end office or tandem, etc.

WORLDCOM's concerns as you well know, revolve around our desire to have our numbers treated with the same degree of importance as Pacific Bell treats its own and perhaps the measures we've requested will allow us to feel less concerned.

Please let me know as soon as possible what we can expect. Should you need further information or clarification. please call me at (415)512-2877.

Sincerely,

Dayna Garvin  
Director  
Network Development

cc: A. Johnson, WORLDCOM  
K. Dundon, WORLDCOM  
R. Licari, WORLDCOM

REVISED ISSUES MATRIX

Issue No.	Appendix	Section	Issue	Pacific Position	MFS/Worldcom Position
112	Collo	13.5	Should CLEC indemnify Pacific for damage when Pacific removes equipment?	This position only applies where MFSW has failed to honor its obligation to remove its equipment. Therefore, it should indemnify Pacific against any resulting claims MFSW has not shown that this indemnity is covered in Appendix GT&C in an indemnity provision it supports.	The indemnification terms of the general terms and conditions should apply. Unique indemnification terms for collo are not necessary.
113	Collo	13.1	Should tariff rates be referenced for testing services?	See Pacific's position on Issues 35 and 84.	No. See issue 84, above
114	Collo	24.7	Should Pacific allow CLEC 24x7 access to its collo space?	When the FCC collocation rules become effective, Pacific will comply with those rules and provide collocation on a fair and nondiscriminatory basis. Pacific agrees that the collocation provisions in this agreement should comply with all FCC and CPUC decisions. The only way to ensure compliance during the life of this agreement is for the agreement to reference Pacific's collocation tariffs.	Yes, pursuant to the FCC's Advanced Services Order.
115	Definitions	2, 5, 8, 28, 29, 64, 67, 75 and 86/ no corresponding PB section	Should the definitions Appendix conform to the definitions for DSL and advanced services adopted by the FCC in its Advanced Services Order?	When the FCC rules become effective, Pacific will comply with those rules.	Yes. Pacific should apply definitions consistent with the requirements of the FCC's Advanced Services Order.
116/ 2	Definitions/ GT&C	41 and 51/ 1.36 & 1.46	How should local and intraLATA calls be defined?	See Pacific's position on issue 2.	The Commission should continue to define local calls as it does now by distance between rate centers. IntraLATA calls should be defined as all intraLATA calls not defined as local calls.
117	RC/ GT&C	1.1/ 5.1.6	Should toll traffic be classified by reference to interexchange traffic?	Pacific objects to MFSW's proposal, for which MFSW has not provided any rationale. If a call is classified as an intraLATA or interLATA call, it must be interexchange. Therefore, the reference to "interexchange" traffic is appropriate. Further, adding the word "toll" to interLATA is confusing since "toll" usually refers to intraLATA type traffic.	No. Toll traffic should be classified as intraLATA toll or interLATA toll without reference to interexchange.
118	RC/ GT&C	1.4/ 5.1.9	Should Pacific be required to deliver transit traffic to MFSW via other carriers' tandems?	This requirement would force Pacific to route all traffic through a third party tandem, which is a waste of network resources and not an efficient way to allow end users to exchange traffic. Pacific does not agree with this inefficient interconnection methodology.	Pacific has provided no justification for this unreasonable restriction on transiting of traffic between carriers.
119	RC/ GT&C	2.7/ 5.2.7	What requirements should govern until such time as Pacific can generate terminating records for CLECs for calls they terminate to Pacific end offices?	Pacific and MFSW have agreed that two-way trunking is the most efficient arrangement. However, two-way trunking creates difficulty with properly identifying and billing traffic. MFSW's refusal to provide originating records could have solved this problem. Therefore, to achieve the mutual goal of utilizing two-way trunk groups, Pacific has proposed language to MFSW that provides the most flexibility to both parties to interconnect via two-way trunk groups and work towards a billing solution.	The difficulty arises from Pacific's unwillingness to implement terminating record capability in its own end offices. Automated Message Accounting standards specify that switches should generate billing records. In exchange for a definite commitment from Pacific to implement terminating record capability at its end offices, MFSW is willing to exchange Percent Local Usage reports as a basis for billing, subject to MFSW's proposed audit and inspection provisions, until such time as Pacific implements the capability.